

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re:

Watt/Peterson, Inc.,

Bky. 01-44137 (NCD)

Debtor

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John R. Stoebner, Trustee,

Plaintiff,

v.

Dacotah Bank, U. S. Bank N.A. (Aberdeen, South Dakota),  
and Universal Pensions, Inc.,

Defendants.

Adv. No. 03-\_\_\_\_\_ (NCD)

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**COMPLAINT**

Plaintiff John R. Stoebner, as Chapter 7 trustee for the Bankruptcy Estate of Watt/Peterson, Inc.,  
for his Complaint against Defendants Dacotah Bank, U. S. Bank N.A. (Aberdeen, South  
Dakota),

and Universal Pensions, Inc., alleges and states as follows:

1. This adversary proceeding is commenced pursuant to Fed. R. Bankr. P. 7001 et seq. and 11 U.S.C. §§ 544 and 550. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334, Fed. R. Bankr. P. 7001(1) and Local Rule 1070-1. This adversary proceeding is a core proceeding pursuant to 28 U.S.C. §157(b)(2). The petition commencing this case as an involuntary bankruptcy was filed September 21, 2001, and the Order

for Relief was entered October 15, 2001; this case is now pending before this Court.

2. Plaintiff is the duly appointed, qualified, and acting Chapter 7 Bankruptcy Trustee for the Bankruptcy Estate of Watt/Peterson, Inc.

3. Defendants are subject to jurisdiction in this Court, and venue is proper pursuant to 28 U.S.C. § 1409.

4. At times prior to June 22, 2000, Defendants were partially secured creditors of Printing Partners of Minnesota, Inc., a South Dakota corporation (“PPM”). On a collective basis, the Defendants were undersecured, and the relative priority of Defendants as secured creditors of PPM is not yet known to Plaintiff.

5. Prior to June 22, 2000, PPM had entered into negotiations with the shareholders of the Debtor, Watt/Peterson, Inc.(Dennis Watt and David Peterson), whereby the respective businesses of PPM and the Debtor would be consolidated under the ownership of a new corporation, Printing Partners of America, Inc., a Minnesota corporation, the shares of which would be owned by Bruce Shultz ( a PPM shareholder), Dennis Watt, and David Peterson.

6. As part of the contemplated transaction, the shares of PPM stock held by James P. Koehler and Steven M. Pfeiffer were to be redeemed and certain indebtedness of PPM, for which, on information and belief, Messrs. Koehler, Pfeiffer and Schultz were liable as personal guarantors, would be paid off.

7. Assets of PPM were not sufficient to fund the contemplated transactions, and on or about June 22, 2000, the Debtor, Printing Partners of America, and PPM entered into a credit agreement with U. S. Bank, National Association, whereby, secured by a grant of security

interests in substantially all the assets of the Debtor and others, the bank made the following payments:

- A. \$269,900 by wire transfer to James P. Koehler.
- B. \$219,900 by wire transfer to Steven M. Pfeiffer.
- C. \$2,021,538.78 by wire transfer to Defendant U.S. Bank, Aberdeen, South Dakota.
- D. \$2,011,972.61 by wire transfer to Defendant Dakotah Bank.
- E. \$947,560.79 by wire transfer to Defendant Universal Pensions, Inc.

8. At the time of the transfers, the Debtor Watt/Peterson, Inc., was insolvent or became insolvent as a result of the transfers and related obligations incurred, and was otherwise left with unreasonably small capital.

9. Debtor Watt/Peterson, Inc., received less than a reasonably equivalent value in exchange for the transfers to Defendants.

10. At the time of commencement of the bankruptcy case and prior thereto, the United States of America, through the Department of the Treasury, Internal Revenue Service, was an unsecured creditor of the Debtor, Watt/Peterson, Inc., and filed proofs of claim numbers 109 and 110.

11. By reason of Watt/Peterson's grants of security interests and its incurring obligations to procure the payments to Defendants, such transfers were transfers of an interest of the Debtor in property, and are avoidable pursuant to 11 U.S.C. §544, 28 U.S.C. §3301 et seq., and Minn. Stat. §513.41 et seq.

12. Plaintiff is entitled to recover from the Defendants the property transferred or the value thereof, pursuant to 11 U.S.C. § 550.

WHEREFORE, Plaintiff prays for Judgment against Defendants as follows:

1. For judgment against Defendants avoiding the transfers to them as alleged in Paragraph 7, and awarding Plaintiff recovery of the Transfers or the value thereof from such defendants as may be determined, or such other amount as may be determined by the Court, together with interest thereon;
2. For recovery of Plaintiff's costs and disbursements herein; and,
3. For such other and further relief as may be equitable and just.

October 14, 2003

KALINA, WILLS, GISVOLD & CLARK, P.L.L.P.

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